

PREPARED BY: Doug Gibbs  
 DATE PREPARED: February 18, 2015  
 PHONE: 402-471-0051

# LB 445

Revision: 00

## FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2015-16</b>		<b>FY 2016-17</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$175,145		\$132,121	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$175,145</b>		<b>\$132,121</b>	

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 445 amends the Community Development Law.

The bill amends Section 18-2117.01 regarding reporting requirements for redevelopment plans funded by tax-increment financing (TIF) to require a city to send to the Property Tax Administrator, and now the Department of Revenue, a copy of the city's guidelines regarding the use of funds received from TIF bonds and an itemized statement showing all funds received from the sale of TIF bonds and use of such funds.

The bill also requires the Department of Revenue to use the information provided to develop an audit plan for all TIF redevelopment plans. The audit is to be conducted at least once every two years and is to determine whether or not the plan is in compliance with the Community Development Law. If the department determines that any such plan is not in compliance, that city shall be prohibited from approving additional redevelopment plans until it is in compliance, as determined by the Department of Revenue.

The Department of Revenue indicates the cost to implement LB 445 will require a one-time programming fee paid to the Office of the CIO to develop a new database to track TIF projects. In addition, the Department will require 2.0 FTE Revenue Tax Specialists to audit new and existing TIF projects. PSL for FY2015-16 is \$97,011 and for FY2016-17 is \$99,339.

We agree with the Department of Revenue's estimate of cost.

<b>ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>		
LB: 445	AM:	AGENCY/POLT. SUB: Auditor of Public Accounts
REVIEWED BY: Lyn Heaton	DATE: 2/20/2015	PHONE: 471-4181
COMMENTS: Concur. No fiscal impact on the office of the Auditor of Public Accounts.		

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2015

LB<sup>(1)</sup> 445

FISCAL NOTE

State Agency OR Political Subdivision Name: <sup>(2)</sup> Auditor of Public Accounts

Prepared by: <sup>(3)</sup> Mary Avery Date Prepared: <sup>(4)</sup> 1/26/14 Phone: <sup>(5)</sup> 4024713686

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	FY 2015-16		FY 2016-17	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 445, as currently written, would have no additional fiscal impact to Agency 010, Auditor of Public Accounts.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2015-16 EXPENDITURES</u>	<u>2016-17 EXPENDITURES</u>
	<u>15-16</u>	<u>16-17</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

**State Agency Estimate**

State Agency Name: Department of Revenue

Date Due LFA: 2/20/2015

Approved by: Len Sloup

Date Prepared: 2/20/2015

Phone: 471-5896

	<b>FY 2015-2016</b>		<b>FY 2016-2017</b>		<b>FY 2017-2018</b>	
	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>
General Funds	\$175,145	\$0	\$132,121	\$0	\$135,293	\$0
Cash Funds						
Federal Funds						
Other Funds						
<b>Total Funds</b>	<b>\$175,145</b>	<b>\$0</b>	<b>\$132,121</b>	<b>\$0</b>	<b>\$135,293</b>	<b>\$0</b>

LB 445 requires a city that has approved a redevelopment (TIF) project to file a report with the Property Tax Administrator that includes a copy of the city's guidelines regarding the use of funds received from the sale of bonds issued and paid for from the use of TIF and an itemized statement of all funds received from the sale of bonds issued and paid for from the use of TIF along with supporting documentation regarding the use of those funds.

The Department of Revenue must audit redevelopment plans that are financed in whole or in part through TIF to ensure they are in compliance with the Community Development Law. Each plan must be audited every two years. If the Department determines that a redevelopment plan is not in compliance, the city approving such redevelopment plan will be prohibited from approving additional redevelopment plans until all discrepancies have been addressed, as determined by the department.

There is no General Fund impact associated with this bill.

The Department's cost to implement LB 445 includes a one-time programming fee paid to the OCIO to develop a new database to track TIF projects. The Department would also need to hire two FTE Revenue Tax Specialists to audit new and existing TIF projects.

**Major Objects of Expenditure**

<u>Class Code</u>	<u>Classification Title</u>	<u>15-16</u>	<u>16-17</u>	<u>17-18</u>	<u>15-16</u>	<u>16-17</u>	<u>17-18</u>
		<u>FTE</u>	<u>FTE</u>	<u>FTE</u>	<u>Expenditures</u>	<u>Expenditures</u>	<u>Expenditures</u>
A29621	Revenue Tax Specialist	2.0	2.0	2.0	\$97,011	\$99,339	\$101,724
	Benefits.....				\$32,014	\$32,782	\$33,569
	Operating Costs.....				\$36,120		
	Travel.....						
	Capital Outlay.....				\$10,000		
	Aid.....						
	Capital Improvements.....						
	<b>Total.....</b>				<b>\$175,145</b>	<b>\$132,121</b>	<b>\$135,293</b>